



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

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Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 18, 2005

CERTIFIED RETURN RECEIPT 7099 3400 0016 8896 1539

Lance Heaton
Pelican Point Rock Products, Inc.
1565 North Redwood Road
P.O. Box 386
Lehi, Utah 84043

Subject: Cancellation of Reclamation Surety, Pelican Point Rock Products, Inc.,
Pelican Point Quarry, M/049/011, Utah County, Utah

Dear Mr. Heaton:

On February 14, 2005, we received notification from Fidelity and Deposit Company of Maryland that they will not renew the surety bond (#LPM8124411) which is posted as reclamation surety for Pelican Point Rock Products, Inc.'s Pelican Point Quarry, located in Utah County, Utah. The surety will be cancelled effective May 14, 2005.

The Utah Mined Land Reclamation Act requires an adequate surety be maintained for all mining operations until the mine site is successfully reclaimed, allowing bond release. You are hereby advised that we must receive a replacement form of surety within 60 days or prior to April 14, 2005, or we will be forced to start surety forfeiture proceedings.

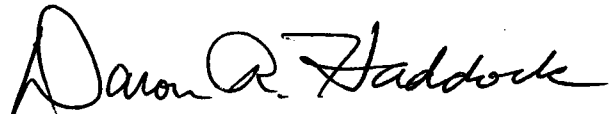
It is understood that Pelican Point Rock Products has been taken over by Rockwell Construction Products. In so doing, a Transfer of the Notice must be completed. A large mine transfer form (MR-TRL) is enclosed for this purpose. Adequate reclamation surety must accompany the transfer form. A new Reclamation Contract will also be required along with the surety (form MR-RC also enclosed). Determining the required surety amount has been delayed because there is no current map or plan that describes all of the area of disturbance. An updated plan has been expected for a number of months.

Lance Heaton
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M/049/011
February 18, 2005

We are in receipt of a memo addressed to you from Mt. Nebo Scientific (copy attached) stating they have a tentative agreement with Rockwell Construction Products to update their current NOI (this would actually be Pelican Point Rock Products NOI since Rockwell Construction Products does not have a permit until the transfer is completed). When we receive the updated information from Mt. Nebo, we will be able to adjust the required surety amount based on that information. If this can be accomplished prior to April 14th, then Rockwell could furnish the updated surety to finalize the transfer. (Further adjustment to the bond may be necessary after the transfer, in order to account for future planned disturbance). At that point, the bond cancellation notice from Fidelity and Deposit Company would be moot and the existing Pelican Point bond could be cancelled.

Please contact me at (801) 538-5325 or Doug Jensen at 538-5382 within the next 10 days to discuss this situation further and to inform us of your intentions. Thank you for your consideration and prompt attention to this important permitting requirement.

Sincerely,



Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb
Enclosure: MR-TRL & MR-RC
cc: John Blake, SITLA (ML- 46040)
Steve Alder, AAG's Office
Mark Mesch, DOGM
O:\M049-Utah\m0490011-pelicanpoint\Draft\bond-cancel-02182005.doc

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

JB DOGM M/049/011 2/18/2005

Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

*Bond to be
canceled -
need replaced
& also transfer
Postmark
here
to Rockwell Court*

Recipient's Name (Please Print Clearly) (to be completed by mailer)

LANCE HEATON - PELICAN PONT ROCK I
Street, Apt. No.; or PO Box No.

1565 N REDWOOD RD PO BOX 386
City, State, ZIP+4

LEHI UT 84043

7099 3400 0016 8896 1539

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- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.